GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Prohibition & Excise – Rationalization of rates levied on the issue price of Indian Made Foreign Liquor, Foreign Liquor, Beer, Wine and Ready to Drink varieties supplied by the wholesale IMFL Depots to the retail licensees of by Shop, Bar and In-House – Orders – Issued.

REVENUE (EXCISE) DEPARTMENT

G.O.MS.No. 256 **Dated: 03-09-2020.**
Read the following:

1) G.O.Ms.No.422 Revenue (Excise-II) dated 30.09.2019.
2) G.O.Ms.No.471 Revenue (Excise-II) dated 22.11.2019.
3) G.O.Ms.No.128 Revenue (Excise-II) dated 04.05.2020.
4) G.O.Ms.No.129 Revenue (Excise-II) dated 05.05.2020.
5) From the Commissioner of Proh. & Excise Cr.No.3636/2019/CPE/E3, Dt.19.08.2020.

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O R D E R:

The Government of Andhra Pradesh is committed to reduction in Alcohol consumption in the state, with a view to improve the physical quality of life of its people.

2. As a step in this direction, Andhra Pradesh Government removed 43,000 Belt shops spread across various villages, throughout the state. Further, in order to ensure that there remain no belt shops in any village, the Government removed private people from operating liquor shops. The government has further taken a number of proactive steps to ensure its commitment towards the cause of reduction in alcohol consumption and moving towards better life.

3. A gathering area, right beside the liquor shop popularly known as "permit room" has been dispensed with. Laws have been enacted to ensure strict action in case of possession of liquor beyond the limit or sale of liquor illegally.

4. The Government reduced the retail outlets from (4380) to (2934) i.e. by about 33% to reduce access to availability of liquor and granted exclusive privilege to APSBCL to run these retail outlets in public interest. Timing is also reduced to discourage consumption of liquor.

5. Furthermore, the Government issued orders to reduce bars by 40% from (840) to (530) which is subjudiced.

6. In order to create awareness among the public on the evils of consumption of liquor / intoxicants, the Madya Vimochana Prachara Committee was constituted and awareness programs are being conducted all over the State.

7. The Government revised the rates upwards per bottle with a view to reduce consumption of liquor in the State in the reference 1st read above w.e.f. 01.10.2019 and levied differentially in respect of bars in the reference 2nd read above. The rates have been subsequently increased in the references 3rd and 4th read above.

8. All the above measures taken up to reduce consumption of liquor in a phased manner have yielded positive results and there is a drastic fall in the consumption of alcohol in the State.

9. However, it is noticed that there is an increase in the incidence of smuggling of liquor into the State of Andhra Pradesh from May, 2020 onwards. A study report of the Special Enforcement Bureau on the impact of increase in liquor prices reveals that there is an increase in inter-State smuggling of liquor into A.P., especially from the States of Telangana and Karnataka in which the retail prices of various categories of liquor are comparatively very low. The most important reason for increase in inter-State smuggling is increase in the prices of liquor / beer due to upward revision of rates. The details are as follows :-

a. The number of cases booked per month on an average during 2020 upto May, 15th is (3,416), while it is increased to (10,977) cases for the period from 16th May to 31st July with an increase of 321%. The number of persons arrested also increased from (3,109) to (14,478) for the same period with an increase of 466%.
b. The increase in the quantity of smuggled liquor is even more alarming. While the monthly average quantity of liquor smuggled into Andhra Pradesh from other States is (2,819) BLs upto 15th May, 2020, it has gone upto (56,716) BLs for the period from 16th May to 31st July, 2020 with an increase of 2012%. In respect of smuggled beer, the increase is 1251% for the same period.
c. The seizure of vehicles involved in the smuggling of liquor also has gone up by 636% with the monthly average seizure touching (4,004) vehicles from (629) vehicles for the same period.
d. Further, Special Enforcement Bureau has pointed out to a comparative analysis of retail prices of liquor prevailing in Andhra Pradesh vis-à-vis other States and pointed out to a difference in the retail prices of liquor of lower price segments. The Special Enforcement Bureau has also stated that in Andhra Pradesh the prices of liquor of lower price categories are comparatively much higher than those of Telangana State and the difference is even more for the same segments available in Karnataka State and this needs to be corrected. Almost a similar situation prevails with respect to Tamilnadu State also.

10. The study report of the Special Enforcement Bureau brings to the fore the following two aspects which need to be addressed at the earliest.

1. The large difference in the retail prices of liquor of lower price category when compared to those of other States needs to be rationalized to eliminate incentive for inter-State smuggling and consequent loss of revenue to the Government.

2. With a view to arrive at balancing the Government's policies, the prices of premium and super premium categories are to be revised upwardly, keeping the overall increase of MRPs at 75% on the MRPs prevailing as on 03.05.2020.

11. The Government is a welfare Government and has launched several welfare measures including "Navaratnalu", and reduction in the consumption of alcohol being one of them. It is seen that some people are habituated to liquor consumption and sudden withdrawal of supplies is concern for these addicted people. This has further been actuated by COVID-19 conditions which has resulted in less supply of liquor and high rates as well in areas where Containment Zones came up.

12. The Special Enforcement Bureau has pointed out that due to this, some people resorted to consumption of methyl alcohol and sanitizers resulting in unfortunate deaths - 5 in Visakhapatnam District, 16 in Prakasam District, 3 in Chittoor District and 2 in Kadapa District. The Government is deeply concerned about the untimely incidents and therefore has examined conditions to rationalize the rates while keeping with its avowed policy to reduction in consumption of liquor.

13. Under these circumstances, there is an imperative need for rationalization of rates levied on the liquor, beer and RTD to realize the objectives of reducing the consumption of liquor in the State of Andhra Pradesh but at the same time preventing inter-State smuggling of liquor into A.P. and consumption of sanitizers leading to death and therefore harmoniously balancing the policies of Government by rationalizing the prices downwards in liquor of lower price categories and slightly moderating upwards the prices of liquor of higher price categories keeping the overall increase of MRPs at 75%. Therefore, it is decided to rationalize the rates per bottle on the issue price of Indian Made Foreign Liquor, Foreign Liquor, Beer, Wine and Ready to Drink varieties supplied by the Wholesale IMFL depots to the retail licensee of by Shop, Bar and In-House.

14. Accordingly, the following Notification will be published in an Extra-ordinary issue of the Andhra Pradesh Gazette, dated the 3rd September, 2020.

NOTIFICATION

In exercise of the powers conferred by Clause (e) of Section-22 of the Andhra Pradesh Excise Act, 1968 (Andhra Pradesh Act No. 17 of 1968) and in modification of the orders issued in the references 3rd and 4th read above, the Government of Andhra Pradesh partially modify the rates per bottle on the issue price of Indian Made Foreign Liquor, Foreign Liquor, Beer, Wine and Ready to Drink varieties supplied by the Wholesale IMFL depots to the retail licensees of by Shop, Bar and In-House as specified for each specified category as below and in multiples of volumes thereof except for categories where there is no change.

IMFL & FL in Rs.					
Category (180 ml MRP as on 03.05.2020)	Modifications (Addition / Reduction)				
	50/60/ 90ml	200/ 180 ml	350/360/ 375 ml	700/ 750 ml	1000 ml
Upto Rs.120/-	-10	-30	-60	-120	No change
Above Rs.120/- up to Rs.150/-	-30	-70	-140	-280	No change
Above Rs.150/- up to Rs.190/-	No change	No change	No change	No change	No change
Above Rs.190/- up to Rs.210/-	+40	+70	+140	+280	+300
Above Rs.210/- up to Rs.290/-	+40	+80	+160	+320	+340
Above Rs.290/- up to Rs.360/-	+60	+110	+220	+440	+470
Above Rs.360/- up to Rs.530/-	+80	+160	+320	+640	+740
Above Rs.530/- upto Rs.600/-	+120	+230	+460	+920	+1110
Above Rs.600/-	+140	+270	+540	+1080	+1320

BEER		in Rs.
Category	355/330 ml	500/ 650 ml
All Ranges	-30	-30

READY TO DRINK	in Rs.
Category	250/275/ 330 ml
All Ranges	-30

2. These orders shall come into force w.e.f. 03.09.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Printing and Stationery and Stores Purchase, A.P., Vijayawada (with a request to send 100 copies of the Notification to Government and 300 copies to the Commissioner of Prohibition & Excise, A.P., Vijayawada)
The Commissioner of Prohibition and Excise, A.P., Vijayawada.
The Managing Director, A.P. State Beverages Corporation Limited, Vijayawada.

Copy to:

P.S. to Prl. Advisor to the Hon'ble Chief Minister of A.P.
P.S. to Advisor to the Hon'ble Chief Minister, Vice Chairman, Implementation & Monitoring Committee, NAVARATNALU Programme, A.P.Secretariat,Velagapudi.
The Executive Assistant to the Hon'ble CM, Chief Minister's Office (CMO), A.P. Secretariat, Velagapudi.
The Chief Public Relations Officer to the Hon'ble CM, Chief Minister's Office (CMO), A.P. Secretariat, Velagapudi.
P.S. to the Hon'ble Deputy Chief Minister (Excise & CT).
P.S. to the Chief Secretary, A.P. Secretariat, Velagapudi.
P.S. to the Special Chief Secretary to Govt. Revenue (CT, P&E, R&S).
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER